

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

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FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 2387

C O N F I D E N T I A L CARACAS 0423

EO 11652: GDS

TAGS: ENRG VE

SUBJECT: POSSIBILITY OF NATIONALIZATION OF U.S. PETROLEUM
INTERESTS IN VENEZUELA.

REF: A. CARACAS 396; B. CARACAS 400

1. AT A LUNCHEON WHICH I GAVE TODAY FOR CODEL WHALEN
ATTENDED BY HEADS OF SHELL AND A NUMBER OF U.S.
OIL COMPANIES AS WELL AS VENEZUELAN EXPERTS AND
POLITICIANS, AFTER THE SPEECHES WERE OVER I OPENED A
QUESTION PERIOD AND DIRECTLY INQUIRED OF DEPUTY HERNANDEZ
GRISANTI WHAT HIS OPINION WAS AS TO IMMINENT POSSIBILITY
OF NATIONALIZING FOREIGN OIL COMPANIES IN VENEZUELA.
SIGNIFICANTLY, FORMER AMBASSADOR TEJERA-PARIS, WHO
HAD MOST RECENTLY SUGGESTED THIS IDEA, WAS
PRESENT TRANSLATING FOR CONGRESSMAN WHALEN.

2. HERNANDEZ GRISANTI GAVE US A CATEGORIC ANSWER.
HE SAID, "UNDER NO CIRCUMSTANCES WILL FOREIGN OIL
COMPANIES BE NATIONALIZED DURING THE REMAINDER OF
THE CALDERA REGIME. TO DO SO WOULD REQUIRE A
CONVOCATION OF CONGRESS, AND WE HAVE MADE OUR
SOUNDINGS WITH THE STANDING COMMITTEE TO MAKE SURE
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THAT THERE WILL BE NO SPECIAL SESSION."

3. HERNANDEZ GRISANTI WENT ON TO STATE THAT THE NEW GOVERNMENT OF CARLOS ANDRES PEREZ WOULD FORMULATE A NEW POLICY BUT WOULD MEASURE ITS STEPS. FIRST OF ALL, THE NEW PRESIDENT WOULD APPOINT A STUDY COMMISSION TO LOOK INTO ALL POSSIBILITIES AND ONLY AFTER ITS REPORT HAD BEEN RECEIVED WOULD A POLICY LINE EMERGE. HE MADE NO PREDICTIONS, HOWEVER, AS TO WHAT THAT POLICY LINE MIGHT BE.

4. COMMENT: IN VIEW OF THIS CATEGORIC STATEMENT BY HERNANDEZ GRISANTI WHO, AS DEPARTMENT KNOWS, IN THE EARLY 1970'S WAS THE MOST VOCIFEROUS ADVOCATE AGAINST FOREIGN OIL COMPANIES, I SHOULD NOW BE INCLINED TO ESTIMATE AS LESS DANGEROUS THE POSSIBILITY MENTIONED IN THE FINAL PARAGRAPH OF REF A.
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